



**OXXY GROUP PLC
(EX. OXXY GROUP LTD)**

REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS
Year ended 31 December 2015

OXXY GROUP PLC

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2015

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OXXY GROUP PLC

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Aston Management (Cyprus) Limited Dimitar Dimitrov Stelios Kazamia (resigned on 27 August 2015)
Company Secretary:	White November Corporate Services (Cyprus) Limited
Independent Auditors:	H&P Accountants Certified Public Accountants and Registered Auditors 1 Chatzidaki Street Ledras Court, Office 501 1066, Nicosia Cyprus
Registered office:	Office M102 25 Michalakopoulou Street 1075 Nicosia Cyprus
Bankers:	Bank of Cyprus Public Company Ltd ProCredit Bank (Bulgaria) EAD
Registration number:	HE307150

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and audited consolidated financial statements of the Company and its subsidiaries (together with the Company, the "Group") for the year ended 31 December 2015.

Principal activities

The principal activities of the Group, which are unchanged from last year, are the development and operation of web design and online publishing software.

Change in Company's status and name

On 5 January 2016, the Company was converted from private limited company to a public limited company and its name was changed from Oxy Group Ltd to Oxy Group Plc.

Review of current position, future developments and significant risks

The Group's development to date, financial results and position in the financial statements are considered satisfactory although the Group reports a loss for the year of €25,217 (2014: €38,036). The Group's activities continue to be supported by its shareholders for the foreseeable future.

The main risks and uncertainties faced by the Group and the steps taken to manage these risks, are described in note 3 of the consolidated financial statements.

On 13 January 2016, the ordinary shares of the parent Company were admitted to trade at Oslo Merkur Market, a new trading platform for small and medium sized businesses.

Results

The Group's results for the year are set out on page 6.

Share capital

Authorised capital

On 9 December 2015, the Company increased its authorized share capital from €1,000 to €100,000.

On 9 December 2015, the Company decreased the nominal value of its ordinary shares from €1 (one Euro) to €0.01 (one Euro cent) and increased the number of shares of its authorized share capital from 1,000 (one thousand) shares to 10,000,000 (ten million) shares.

Issued capital

On 30 December 2015, the Company issued 2,500,000 ordinary shares of €0.01 each at par.

Board of Directors


The members of the Company's Board of Directors as at 31 December 2015 and at the date of this report are presented on page 1. Mr. Stelios Kazamia resigned from his position as a Director of the Company on 27 August 2015.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office. There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Independent Auditors

The Independent Auditors, H&P Accountants, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,


Aston Management (Cyprus) Limited
Director

Nicosia, 16 February 2016

OXXY GROUP PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Year ended 31 December 2015

	Note	2015 €	2014 €
Administration expenses		<u>(24,639)</u>	<u>(37,330)</u>
Operating loss	5	(24,639)	(37,330)
Finance costs	6	<u>(635)</u>	<u>(657)</u>
Loss before tax		(25,274)	(37,987)
Tax	7	<u>-</u>	<u>-</u>
Net loss for the		(25,274)	(37,987)
Other comprehensive income			
Exchange difference arising on the translation and consolidation of foreign companies' financial statements		<u>57</u>	<u>(49)</u>
Other comprehensive income for the		57	(49)
Total comprehensive income for the		(25,217)	(38,036)

The notes on pages 7 to 14 form an integral part of these consolidated financial statements.

OXXY GROUP PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 31 December 2015

	Note	2015 €	2014 €
ASSETS			
Non-current assets			
Property, plant and equipment	8	2,556	2,594
Intangible assets	9	<u>633,010</u>	<u>382,253</u>
		<u>635,566</u>	<u>384,847</u>
Current assets			
Other receivables	10	1,171	444
Cash and cash equivalents		<u>87,519</u>	<u>36,270</u>
		<u>88,690</u>	<u>36,714</u>
Total assets		<u>724,256</u>	<u>421,561</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	11	26,000	1,000
Translation reserve		8	(49)
Advances for future share capital increase	12	475,000	350,000
Accumulated losses		<u>(64,572)</u>	<u>(39,298)</u>
Total equity		<u>436,436</u>	<u>311,653</u>
Non-current liabilities			
Payable to shareholder	14	<u>217,996</u>	<u>88,986</u>
		<u>217,996</u>	<u>88,986</u>
Current liabilities			
Other payables	13	<u>69,824</u>	<u>20,922</u>
		<u>69,824</u>	<u>20,922</u>
Total liabilities		<u>287,820</u>	<u>109,908</u>
Total equity and liabilities		<u>724,256</u>	<u>421,561</u>

On 16 February 2016 the Board of Directors of Oxy Group Plc authorised these consolidated financial statements for issue.


.....
Aston Management (Cyprus) Limited
Director


.....
Dimitar Dimitrov
Director

The notes on pages 7 to 14 form an integral part of these consolidated financial statements.

OXXY GROUP PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2015

	Share capital €	Advances for future share capital increase €	Translation reserve €	Accumulated losses €	Total €
Balance at 1 January 2014	1,000	195,800	-	(1,311)	195,489
Comprehensive income					
Net loss for the year	-	-	-	(37,987)	(37,987)
Other comprehensive income for the year	-	-	(49)	-	(49)
Total comprehensive income for the year	-	-	(49)	(37,987)	(38,036)
Transactions with owners					
Shareholder contribution	-	77,100	-	-	77,100
Funds advanced	-	77,100	-	-	77,100
Total transactions with owners	-	154,200	-	-	154,200
Balance at 31 December 2014/ 1 January 2015	1,000	350,000	(49)	(39,298)	311,653
Comprehensive income					
Net loss for the year	-	-	-	(25,274)	(25,274)
Other comprehensive income for the year	-	-	57	-	57
Total comprehensive income for the year	-	-	57	(25,274)	(25,217)
Transactions with owners					
Issue of share capital	25,000	(25,000)	-	-	-
Shareholder contribution	-	75,000	-	-	75,000
Funds advanced	-	75,000	-	-	75,000
Total transactions with owners	25,000	125,000	-	-	150,000
Balance at 31 December 2015	26,000	475,000	8	(64,572)	436,436

The notes on pages 7 to 14 form an integral part of these consolidated financial statements.

OXXY GROUP PLC

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2015

	Note	2015 €	2014 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(25,274)	(37,987)
Adjustments for:			
Depreciation of property, plant and equipment	8	3,058	2,564
Exchange difference arising on the translation of non-current assets in foreign currencies		-	(47)
Exchange difference arising on the translation and consolidation of foreign companies' financial statements		57	(98)
Interest expense	6	-	39
		<u>(22,159)</u>	<u>(35,529)</u>
Changes in working capital:			
Increase in other receivables		(727)	(283)
Increase in other payables		<u>48,902</u>	<u>12,215</u>
Cash generated from/(used in) operations		<u>26,016</u>	<u>(23,597)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for research and development	9	(250,757)	(216,763)
Payments for purchase of property, plant and equipment	8	<u>(3,020)</u>	<u>(1,594)</u>
Net cash used in investing activities		<u>(253,777)</u>	<u>(218,357)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		25,000	-
Funds advanced for future share capital increase		125,000	154,200
Loan from shareholder		129,010	88,986
Interest paid		-	(39)
Net cash generated from financing activities		<u>279,010</u>	<u>243,147</u>
Net increase in cash and cash equivalents		51,249	1,193
Cash and cash equivalents at beginning of the year		36,270	35,028
Effect of exchange rate fluctuations on cash held		-	49
Cash and cash equivalents at end of the year		<u>87,519</u>	<u>36,270</u>

The notes on pages 7 to 14 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2015

1. Incorporation and principal activities

Country of incorporation

The Company, Oxy Group Plc (the "Company"), was incorporated in Cyprus on 30 May 2012 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at office M102, 25 Michalakopoulou Street, 1075 Nicosia, Cyprus.

Change in Company's status and name

On 5 January 2016, the Company was converted from private limited company to a public limited company and its name was changed from Oxy Group Ltd to Oxy Group Plc.

Principal activities

The principal activities of the Group, which are unchanged from last year, are the development and operation of web design and online publishing software.

2. Accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented in these consolidated financial statements unless otherwise stated.

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. These consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The consolidated financial statements are presented in Euro (€) which is the functional currency of the Group.

Adoption of new and revised IFRSs

During the current year the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2015. This adoption did not have a material effect on the accounting policies of the Group.

At the date of approval of these consolidated financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the consolidated financial statements of the Group.

Basis of consolidation

The Company has subsidiary undertakings for which section 142(1)(b) of the Cyprus Companies Law Cap. 113 requires consolidated financial statements to be prepared and laid before the Company at the Annual General Meeting. The consolidated financial statements of the Group comprise the financial statements of the parent company Oxy Group Plc and the financial statements of the following subsidiaries - Oxy Applications Ltd (Bulgaria), Oxy Solutions Ltd (UK) and Oxy Ltd (Malta).

The financial statements of all the Group companies are prepared using uniform accounting policies. All inter-company transactions and balances between Group companies have been eliminated during consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2015

2. Accounting policies (continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2015

2. Accounting policies (continued)

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

The financial statements are prepared in Euro (€) (the measurement currency), which is the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Group.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rate at the reporting date. Foreign exchange gains and losses resulting from the settlement of the transactions and from the translation of monetary assets and liabilities into functional currency at period-end exchange rates are recognised in profit or loss. Translation at period-end rates does not apply to non-monetary items, including equity investments. Effects of exchange rate changes on the fair value of equity securities are recorded as part of the fair value gain or loss.

At 31 December 2015 the rate of exchange was €1 = BGN1.9563 (31 December 2014: €1 = BGN1.9592). Average rate for 12 months 2015 was €1 = BGN1.9585 (12 months 2014: €1 = BGN1.9562).

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from the Group's e-business development is recognised only if all of the following conditions are met:

- an asset is created that can be identified (such as software and new processes);
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Internally-generated intangible assets are amortised on a straight-line basis over their estimated useful lives when the economic benefits are generated. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2015

2. Accounting policies (continued)

Patents and trademarks

Patents and trademarks are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives when the economic benefits are generated

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash at bank and in hand.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

Share capital

Ordinary shares are classified as equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2015

3. Financial risk management**Financial risk factors**

The Group is exposed to interest rate, credit and liquidity risk arising from the financial instruments it holds. The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from last year. The risk management policies employed by the Group to manage these risks are discussed below:

3.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3.2 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has no significant concentration of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2015	2014
	€	€
Other receivables	1,171	444
Cash at bank	27,075	1,666
	<u>28,246</u>	<u>2,110</u>

3.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group's management monitors the liquidity position to minimise such losses.

The following tables of 2014 and 2015 detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

31 December 2015	Carrying amounts €	Contractual cash flows €	3 months or less €	Between 3-12 months €	Between 1-5 years €	More than 5 years €
Other payables	69,824	31,286	31,286	-	-	-
Loan from shareholder	217,996	217,996	-	-	217,996	-
	<u>287,820</u>	<u>249,282</u>	<u>31,286</u>	<u>-</u>	<u>217,996</u>	<u>-</u>
 31 December 2014						
	Carrying amounts €	Contractual cash flows €	3 months or less €	Between 3-12 months €	Between 1-5 years €	More than 5 years €
Other payables	20,922	20,821	20,821	-	-	-
Loan from shareholder	88,986	88,986	-	-	88,986	-
	<u>109,908</u>	<u>109,807</u>	<u>20,821</u>	<u>-</u>	<u>88,986</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2015

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are related to impairment of intangible asset.

Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Group estimates the recoverable amount of the cash generating unit in which the asset belongs to.

5. Operating loss

	2015 €	2014 €
Operating loss is stated after charging the following items:		
Auditors' remuneration	<u>3,000</u>	<u>-</u>

6. Finance costs

	2015 €	2014 €
Interest expense	-	39
Bank charges	<u>635</u>	<u>618</u>
	<u>635</u>	<u>657</u>

7. Tax

The parent Company's results are subject to corporation tax at 12,5%.

8. Property, plant and equipment

	Office equipment €
Cost	
Balance at 1 January 2014	4,582
Additions	1,594
Exchange differences	<u>2</u>
Balance at 31 December 2014/ 1 January 2015	6,178
Additions	3,020
Exchange differences	<u>3</u>
Balance at 31 December 2015	<u>9,201</u>
Depreciation	
Balance at 1 January 2014	1,065
Charge for the year	2,564
Exchange differences	<u>(45)</u>
Balance at 31 December 2014/ 1 January 2015	3,584
Charge for the year	3,058
Exchange differences	<u>3</u>
Balance at 31 December 2015	<u>6,645</u>
Net book amount	
Balance at 31 December 2015	<u>2,556</u>
Balance at 31 December 2014	<u>2,594</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2015

9. Intangible assets

	Research and development €	Patents and trademarks €	Total €
Cost			
Balance at 1 January 2014	165,490	-	165,490
Additions	<u>215,863</u>	<u>900</u>	<u>216,763</u>
Balance at 31 December 2014/ 1 January 2015	381,353	900	382,253
Additions	<u>250,757</u>	<u>-</u>	<u>250,757</u>
Balance at 31 December 2015	632,110	900	633,010
Net book amount			
Balance at 31 December 2015	632,110	900	633,010
Balance at 31 December 2014	381,353	900	382,253

The above research and development costs have been incurred by the Group for the development of a software system. Patents and trademarks comprise of trademark "OXXY", registered on 16 May 2014, which will be utilised for the provision of Computer Software & Scientific Services. Amortisation has not been accounted for both intangible assets since the development of software systems has not yet been completed and the trademark has not yet generated any income.

10. Other receivables

	2015 €	2014 €
Other receivables	<u>1,171</u>	<u>444</u>

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Group to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the consolidated financial statements.

11. Share capital

	2015 Number of shares	2015 €	2014 Number of shares	2014 €
Authorised				
Ordinary shares of €0.01 each	10,000,000	100,000	-	-
Ordinary shares of €1 each	-	-	1,000	1,000
	<u>10,000,000</u>	<u>100,000</u>	<u>1,000</u>	<u>1,000</u>
Issued and fully paid				
Balance at 1 January	1,000	1,000	1,000	1,000
Decrease of the nominal value	99,000	-	-	-
Issue of shares	<u>2,500,000</u>	<u>25,000</u>	<u>-</u>	<u>-</u>
Balance at 31 December	2,600,000	26,000	1,000	1,000

Authorised capital

On 9 December 2015, the Company increased its authorized share capital from €1,000 to €100,000.

On 9 December 2015, the Company decreased the nominal value of its ordinary shares from €1 (one Euro) to €0.01 (one Euro cent) and increased the number of shares of its authorized share capital from 1,000 (one thousand) shares to 10,000,000 (ten million) shares.

Issued capital

On 30 December 2015, the Company issued 2,500,000 ordinary shares of €0.01 each at par.

OXXY GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2015

12. Advances from shareholders

	2015	2014
	€	€
Funds advanced	250,000	175,000
Shareholder contribution	250,000	175,000
Issue of shares	(25,000)	-
Balance at 31 December	475,000	350,000

The parent Company's founders have advanced funds and contributions to support the operations of the Group in development of software and related services. The parent Company's Directors are finalising the procedures to issue shares to existing shareholders for the advances made.

13. Other payables

	2015	2014
	€	€
Other creditors and accruals	69,824	20,922

The fair values of other payables due within one year approximate to their carrying amounts as presented above.

14. Payable to shareholder

The Company is controlled by a local company and a foreign individual each holding 50% each of the Company's shares.

	2015	2014
	€	€
The White November Fund Limited	217,996	88,986

Loan from a shareholder does not carry interest and does not have specified repayment terms. The loan can be converted to Company's shares at the discretion of a shareholder latest by 31 December 2017.

15. Contingent liabilities

The Group had no contingent liabilities as at 31 December 2015.

16. Commitments

The Group had no capital or other commitments as at 31 December 2015.

17. Events after the reporting period

On 13 January 2016, the ordinary shares of the parent Company were admitted to trade at Oslo Merkur Market, a new trading platform for small and medium sized businesses.



H&P Accountants
1, Chatzidaki Street, Ledras Court
Office 501, 1066 Nicosia, Cyprus
P.O.Box: 22846, 1524 Nicosia
Tel: +357 22 419999
Fax: +357 22 419998
E-mail: info@hpa.com.cy
Webpage: www.hpa.com.cy

Independent auditor's report

To the Members of Oxy Group Plc

Report on the consolidated financial statements

We have audited the consolidated financial statements of Oxy Group Plc (the "Company") and its subsidiaries (together with the Company, the "Group") on pages 3 to 14 which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2015, and of its financial performance and its cash flows for the then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.



H&P Accountants
1, Chatzidaki Street, Ledras Court
Office 501, 1066 Nicosia, Cyprus
P.O.Box: 22846, 1524 Nicosia
Tel: +357 22 419999
Fax: +357 22 419998
E-mail: info@hpa.com.cy
Webpage: www.hpa.com.cy

Independent auditor's report (continued)

To the Members of Oxy Group Plc

Report on other legal requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of these books.
- The consolidated financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the consolidated financial statements.

Other matter

This report, including the opinion, has been prepared for and only for the parent Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Michael J. Hadjihannas
Certified Public Accountant and Registered Auditor
for and on behalf of
H&P Accountants
Certified Public Accountants and Registered Auditors

Nicosia, 16 February 2016